



U.S. Immigration  
and Customs  
Enforcement

July 1, 2005

# News Release

## **29 CHARGED IN CONNECTION WITH ALIEN HARBORING CONSPIRACY**

***-- 2 Individuals Charged in Connection with Sex Trafficking --  
-- Korean Women Were Allegedly Brought into the U.S. Illegally Through Canada --***

SAN FRANCISCO - The U.S. Attorney's Office announced that 27 people were arrested last night (3 on probable cause) and approximately 50 brothels, residences and businesses were searched in connection with Operation Gilded Cage. Operation Gilded Cage is a federal investigation of alleged sex trafficking, harboring of Illegal aliens, conspiracy to transport female Korean nationals across state lines with intent to engage in prostitution, and money laundering by individuals involved in the massage parlor industry. During the course of the law enforcement action last night, approximately \$2 million was seized at the search locations. Approximately 100 women are currently at an undisclosed and non-detention location where they are receiving healthcare and other services.

Last night's enforcement actions were the result of a joint investigation by the U.S. Attorney's Office for the Northern District of California, the U.S. Department of Justice Civil Rights Division, U.S. Immigration and Customs Enforcement (ICE), the Federal Bureau of Investigation (FBI), San Francisco Police Department, Internal Revenue Service (IRS), and the State Department's Diplomatic Security Service.

In an indictment returned on June 23, 2005, and unsealed today, a federal grand jury indicted 29 people on charges including: conspiracy to harbor aliens, sex trafficking, money laundering conspiracy, conspiracy to transport female Korean nationals across state lines with intent to engage in prostitution, and conspiracy to use a facility (telephone) in interstate commerce with the intent to promote a prostitution enterprise. A chart listing all of the defendants and the charges against them is attached below.

U.S. Attorney Kevin V. Ryan stated, "This investigation is aimed at stopping the horrific, demeaning, and oftentimes brutal practice of smuggling and trafficking of human beings into the U.S. for illicit purposes. In Operation Gilded Cage, we have actively sought to dismantle a wide-ranging operation with connections in the U.S., Korea, and Canada by targeting not only the alleged smuggling and trafficking of women, but also the related financial activities of the illicit operation."

Acting Assistant Attorney General for the Civil Rights Division Bradley J. Schlozman said, "Human trafficking is a repugnant and morally reprehensible crime, which the Department of Justice is deeply committed to eradicating. That this kind of conduct occurs in the 21st Century -- in the United States no less -- is simply unconscionable."

"Working in partnership here in San Francisco, approximately 400 federal, state, and local law enforcement officials carried out a series of enforcement actions last night to dismantle an alleged widespread human smuggling, human trafficking and prostitution ring," said John Torres, Deputy Assistant Director of the Smuggling and Public Safety Investigations for ICE. "The individuals charged in connection with these alleged schemes were engaged in the types of criminal activity that are frequently associated with violence and characterized by utter disregard for human life."

Acting Special Agent in Charge Arthur Balizan said, "This cooperative enforcement action is a testament to the FBI's commitment in investigating sophisticated human trafficking cases. These alleged illicit activities erode our social fabric and feed the coffers of many criminal enterprises."

San Francisco Police Department Deputy Chief of Investigations Morris Tabak stated, "The San Francisco Police Department is proud to have joined forces with U.S. Attorney Kevin V. Ryan, the FBI, and the rest of our federal partners to combat the scourge of human trafficking, also known as modern slavery. There is no place in the world for human trafficking, especially here in San Francisco."

According to Roger Wirth, Special Agent in Charge, IRS Criminal Investigation: "We are proud to be a part of this joint law enforcement effort working to dismantle criminal organizations preying on individuals for profit. It is a priority of IRS Criminal Investigation to eradicate criminal organizations by also pursuing money laundering charges and eliminating the profits generated by illicit activities."

Diplomatic Security Service Special Agent in Charge Thomas Depenbrock said, "The U.S. State Department's Diplomatic Security Service is an eager ally in the fight to end human trafficking. When individuals attempt to compromise the visa process the DSS will undertake a worldwide effort, employing the full force of DSS agents in almost 285 diplomatic missions overseas to put an end visa fraud as a means of human trafficking."

### **Harboring Aliens and Sex Trafficking:**

According to the indictment, around May 2004, defendant Wu Sang Nah, Sung Yong Kim, and others made arrangements to smuggle two female Korean nationals across the Canadian-United States border. According to the indictment, the two female Korean nationals were transported from Virginia to Los Angeles, and ultimately to Kings Massage, at 315 Jessie St., San Francisco.

Employees at Kings Massage allegedly paid defendant Sung Yong Kim a trafficking fee for the two female Korean nationals. According to the indictment, between May and August 2004, employees at Kings Massage directed the two female Korean nationals to work as prostitutes until their trafficking debts were paid in full. During that time period, co-conspirators allegedly collected and maintained control over the prostitution proceeds until their debts were paid in full.

Defendants Young Joon Yang and Sung Yong Kim are charged with two counts each of sex trafficking. The indictment charges that Yan and Kim used force, fraud or coercion to cause Jane Doe 1 and 2 to engage in a commercial sex act.

**Yang's Taxi Service and YJY Travel and Tour:**

Seven individuals are charged with conspiracy to transport female Korean nationals across state lines to engage in prostitution. The indictment alleges that Young Joon Yang owned and operated an underground taxi service named Yang's Taxi, for the purpose of transporting prostitutes to and from airports and brothels in San Francisco, California.

According to the indictment, Yang's Taxi would pick up or drop off Korean speaking females from the following locations: San Francisco International Airport, Oakland International Airport, Lee's Oriental Massage, Suk Hee Oriental Massage and Sauna, Lucky Spa, Palm Tree Massage, Empire Health Club, and Geneva Oriental Spa.

The indictment also charges that Young Joon Yang owned and operated YJY Travel and Tour, and used it to purchase airline tickets for interstate travel for prostitutes working at various brothels in San Francisco. Airline tickets to or from San Francisco, Oakland, Las Vegas, Dallas, New York, and Boston were allegedly purchased for Korean-speaking females in connection with this alleged conspiracy.

**Conspiracy to Launder Money:**

Four individuals are charged with conspiracy to engage in money laundering. According to the indictment, in order to conceal and disguise the proceeds of alien harboring and interstate transportation for prostitution, Young Joon Yang, Hang Joe Yoon, Myong Su Ahn, and Nam Young Lee used various individuals to transfer the proceeds of the unlawful activity from the United States to Korea.

**Status:**

Separate arrests were made in Los Angeles last night in connection with an alleged human smuggling scheme. Twenty-three individuals were charged by complaint with conspiracy. The complaint alleges three objects to the conspiracy; harboring illegal aliens for an immoral purpose (prostitution); harboring and transporting illegal aliens; and violating the Travel Act, a federal statute that prohibits moving people across state lines for illegal sexual purposes, such as prostitution. The Los Angeles and San Francisco cases are separate, however, the enforcement actions were coordinated.

The individuals arrested last night will make begin to make their initial appearance in federal court in San Francisco today at 1:00 PM before Magistrate Judge Vadas. The following individuals are wanted by authorities and upon learning of the charges should turn themselves into authorities:

- Wu Sang Nah, aka Kang
- Sung Yong Kim, aka Nam, aka Mr. Kim, age 39
- Myong Su Ahn, aka Paula Lee, age 50,
- Nam Young Lee, age 38, and

- Fred A. Frazier, 50 of Fairfield, California

The maximum statutory penalties are outline in the attached summary sheet. Please note, however, that any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

An indictment contains only allegations against an individual and these defendants must be presumed innocent unless and until proven guilty.

**Acknowledgments:**

The prosecution is the result of a 9-month investigation. Assistant U.S. Attorney Peter Axelrod and Department of Justice Civil Rights Trial Attorneys Andrew Kline and Evans Rice are prosecuting the case with the assistance of Kristina Pollak and Mae Chu.

This prosecution is the result of a joint investigation of the Department of Justice Civil Rights Division, the U.S. Attorney's Office for the Northern District of California, U.S. Immigration and Customs Enforcement (ICE), the Federal Bureau of Investigation (FBI), San Francisco Police Department, Internal Revenue Service (IRS), and the State Department's Diplomatic Security Service.

# ICE #

*U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of five integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.*